

# SENATE BILL REPORT

## SB 5597

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As Reported By Senate Committee On:  
Health & Long-Term Care, February 22, 2007  
Ways & Means, March 5, 2007

**Title:** An act relating to contracts with chiropractors.

**Brief Description:** Concerning contracts with chiropractors.

**Sponsors:** Senators Franklin, Benton, Zarelli, Kauffman, Kline, Carrell, Poulsen, Keiser, Kohl-Welles, Delvin and Roach.

**Brief History:**

**Committee Activity:** Health & Long-Term Care: 2/12/07, 2/22/07 [DPS, w/oRec].  
Ways & Means: 2/28/07, 3/05/07 [DP2S, w/oRec].

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### SENATE COMMITTEE ON HEALTH & LONG-TERM CARE

**Majority Report:** That Substitute Senate Bill No. 5597 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Franklin, Vice Chair; Carrell, Fairley, Kastama and Kohl-Welles.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Pflug, Ranking Minority Member and Parlette.

**Staff:** Edith Rice (786-7444)

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Second Substitute Senate Bill No. 5597 be substituted therefor, and the second substitute bill do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Hatfield, Hewitt, Hobbs, Keiser, Kohl-Welles, Oemig, Regala, Roach, Rockefeller and Schoesler.

**Minority Report:** That it be referred without recommendation.

Signed by Senators Honeyford and Parlette.

**Staff:** Erik Sund (786-7454)

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Background:** Under current law, administrators of health care provider networks may refuse to reimburse a chiropractor for services that are provided to a patient by an employee of the chiropractor rather than provided by the chiropractor directly.

**Summary of Bill:** Insurers including health care service contractors, health maintenance organizations, employees welfare benefit plans, state or federal health benefit programs, or any organization which creates health care provider networks, cannot refuse to reimburse for health care services provided by employees of a contracted chiropractor if it is a reimbursable benefit. Insurers may not refuse to contract with licensed health care providers who are employees of a contracted chiropractor as long as they otherwise meet the fair credentialing standards of the contractor, nor may insurers prohibit a chiropractor from delegating duties or refuse to reimburse the contracted chiropractor for reimbursement for such delegated services.

**EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Health & Long-Term Care):** The substitute bill applies to health carriers only and contains a delayed effective date for contracts executed or renewed as of January 1, 2008. Reimbursement of contracted chiropractor employees is restricted to those employees working at the same location as the contracted chiropractor. Provisions requiring a carrier to contract with employees have been removed. Health care providers must participate in a carrier's evidence-based quality assurance program.

**EFFECT OF CHANGES MADE BY RECOMMENDED SECOND SUBSTITUTE AS PASSED COMMITTEE (Ways & Means):** The provision that health carriers may not require chiropractors to adopt health care reimbursement or delivery standards in conflict with standards established by the Washington State Chiropractic Quality Assurance Commission (WSCQAC) is amended so that health carriers may not require chiropractors to adopt health care delivery standards in conflict with WSCQAC standards. The WSCQAC is not granted authority to establish reimbursement rates for services.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 2007.

**Staff Summary of Public Testimony (Health & Long-Term Care):** PRO: This is not an any willing provider law. If you are already contracted, your employees should be accepted.

CON: We have concerns about financial cost and liability exposure. Carefully selected networks keep down costs and deliver quality service. This bill has us heading in an opposite direction from the recommendations of the Blue Ribbon Commission.

**Persons Testifying (Health & Long-Term Care):** PRO: Lori Bielinski, David Butters, D. C., Washington State Chiropractors Association.

CON: Scott Plack, Group Health Cooperative; Abi Castillo, Community Health Plan; Sydney Zvara, Association of Washington Healthcare Plans; Mel Sorenson, Washington Association of Health Underwriters; Nancy Wildermuth, Regence Blue Shield, Pacificare, Aetna.

**Staff Summary of Public Testimony (Ways & Means):** PRO: The fiscal note exaggerates the cost of this bill. The Basic Health Plan does not cover chiropractic services and so BHP costs would not increase. Chiropractic care is very cost-effective and providing chiropractic coverage will actually reduce health plans' costs.

CON: This bill will interfere with health plans' ability to contract with providers in order to create cost-effective provider networks. If it is enacted, costs will increase for consumers as well as private and public employers.

**Persons Testifying (Ways & Means):** PRO: Lori Bielinski, Washington State Chiropractic Association; Austin McMillin, D.C., Chiropractor.

CON: Mel Sorensen, America's Health Insurance Plans.